

Message Text

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FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 9321
INFO AMEMBASSY ACCRA
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AMEMBASSY BELGRADE
AMEMBASSY BONN PRIORITY
AMEMBASSY BRUSSELS
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AMEMBASSY PARIS
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C O N F I D E N T I A L SECTION 1 OF 3 GENEVA 5925

USEEC, USOECD

FROM FRANK (IO) FOR COOPER (E) BAKER (IO) AND KATZ (EB)
LONDON AND BONN FOR AMBASSADOR YOUNG
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LONDON AND ROME FOR ASST SECY MAYNES
DEPT PASS VAN DYKE (AID) AND HORMATS (NSC)

E.O. 11652: GDS
TAGS: ECOSOC, EGEN, UN
SUBJECT: CONSULTATIONS IN GENEVA ON RESUMED 31ST SESSION OF UNGA,
UN RESTRUCTURING, BRANDT COMMISSION, AND THE INTER-

NATIONAL DEVELOPMENT STRATEGY

1. SUMMARY. ON JULY 13-17, DEPUTY ASST SECY FRAANK (IO) ENGAGED IN INFORMAL CONSULTATIONS ON KEY ECONOMIC ISSUES CONCERNING FALL GA SESSIONS. THEMES OF THE RESUMED 31ST UNGA SESSIONS ARE LIKELY TO INCLUDE (1) AN ASSESSMENT OF CIEC WHICH POINTS TO BOTH ITS SUCCESSES AND FAILURES AND (2) A DISCUSSION OF WHERE IN THE UN SYSTEM VARIOUS CIEC ISSUES SHOULD BE FOLLOWED UP. CONTINUATION OF ENERGY DIALOGUE LIKELY TO BE TREATED AS PART OF THE CIEC FOLLOW-UP BUT NOT SINGLED OUT FOR SPECIAL TREATMENT. DEBT ISSUE MAY BE CONTENTIOUS BECAUSE OF CIEC FAILURE TO REACH CONSENSUS ON THIS ISSUE AND G-77 LIKELY TO WANT TO GIVE IMPETUS TO ACTION ON DEBT AT THE UNCTAD MINISTERIAL NOW SCHEDULED FOR JANUARY 1978. CONSIDERABLE DISCUSSION TOOK PLACE OF MEANS OF PROVIDING AN OVERVIEW OR STOCKTAKING MECHANISM FOR CONTINUATION OF NORTH-SOUTH DIALOGUE. TWO POSSIBILITIES DISCUSSED - A REVIVED ECOSOC MEETING AT THE MINISTERIAL LEVEL OR A SPECIAL COMMITTEE REPORTING DIRECTLY TO GA BUT FEW HARD POSITIONS FORMED ON THIS ISSUE. DUTCH GOVERNMENT AT INFORMAL MEETING ANNOUNCED CONTRIBUTION OF \$4 MILLION TO FOSTER RESEARCH ON INTERNATIONAL DEVELOPMENT STRATEGY AND NORWEGIANS TO CONTRIBUTE AN ADDITIONAL \$2 MILLION. WORLD BANK REP SAID THAT WILLY BRANDT WANTED TO DELAY ANNOUNCEMENT OF BRANDT COMMISSION UNTIL HE CONSULTS WITH KEY G-77 LEADERS IN NEW YORK AROUND SEPT 20. NEW THEMES BEING DISCUSSED FOR NEXT INTERNATIONAL DEVELOPMENT STRATEGY ARE (1) EXTENSION BEYOND THE NEXT DEVELOPMENT DECADE OF THE EIGHTIES TO GAIN CONSENSUS
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ON LONG-TERM GOALS FOR WORLD ECONOMIC ORDER, (2) CONSIDERATION OF GROWTH POLICIES OF INDUSTRIALIZED WORLD BECAUSE OF THEIR IMPACT ON GROWTH POTENTIAL OF DEVELOPING COUNTRIES, AND (3) MEETING BASIC HUMAN NEEDS AS A UNIVERSAL GOAL OF BOTH DEVELOPED AND DEVELOPING SOCIETIES. END SUMMARY.

2. DURING FIVE DAYS IN GENEVA, JULY 13-17, DEP ASST SECY FRANK (IO) ENGAGED IN EXTENSIVE INFORMAL CONSULTATIONS WITH DELEGATES TO THE ECOSOC, UN OFFICIALS, AND AMBASSADORS RESIDENT IN GENEVA ON ECONOMIC AND SOCIAL ISSUES CONCERNING THE FALL UN GENERAL ASSEMBLY SESSIONS AND THE UNCTAD INTEGRATED PROGRAM ON COMMODITIES. DISCUSSIONS ON COMMODITIES WILL BE REPORTED SEPTTEL.

3. TALKS WITH KEY G-77 PERSONALITIES FROM NEW YORK (QADRUD-DIN OF PAKISTAN, CABRIC OF YUGOSLAVIA, MILLS OF JAMAICA, MAGHOUB OF SUDAN, BENHOCINE OF ALGERIA, DADZIE OF GHANA) FOCUSED ON RESUMED 31ST SESSION OF UNGA, UN RESTRUCTURING, AND PREPARATIONS FOR THE NEXT INTERNATIONAL DEVELOPMENT STRATEGY "FOR THE EIGHTIES AND BEYOND." DELEGATES CONSULTED FROM DEVELOPED COUNTRIES INCLUDED PETER MARSHALL OF THE UK, ROUGE OF FRANCE, VAN GORKOM AND KAUFMANN

OF NETHERLANDS, PER JODAHN OF SWEDEN, JANKOWITSCH OF AUSTRIA AND
ALGARD AND AASEN OF NORWAY.

4. IN DISCUSSIONS ON RESUMED 31ST UNGA SESSIONS ON CIEC REVIEW,
G-77 REPS WERE A BIT CAUTIOUS SINCE THEY PLANNED TO MEET IN SMALLER
GROUP OF 27 THE WEEK OF JULY 17 IN GENEVA TO ATTEMPT TO ARRIVE
AT AN AGREED ASSESSMENT OF THE RESULTS OF CIEC. CABRIC OF
YUGOSLAVIA SAID WE COULD GET A MORE CLEAR VIEW OF G-77 ATTITUDES
AT THE END OF THAT WEEK, WHICH CAN BE REPORTED FROM GENEVA.
NEVERTHELESS, IT WAS CLEAR IN THE DISCUSSIONS AND FROM SPEECHES
MADE IN THE ECOSOC PLENARY GENERAL DEBATE THAT THE G-77 WOULD
LIKE THE RESUMED SESSION TO FOCUS ON TWO MAJOR THEMES;
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--AN ASSESSMENT OF CIEC THAT WILL POINT TO BOTH ITS
ACCOMPLISHMENTS (SPECIAL ACTION PROGRAM AND POLITICAL
DECISION ON THE COMMON FUND) AND ITS FAILURES (ON DEBT);

--A DECISION THAT THE CONTINUATION OF THE NORTH-SOUTH
DIALOGUE WILL TAKE PLACE (LARGELY AT LEAST) WITHIN THE
UNITED NATIONS AND ITS SPECIALIZED AGENCIES (THE WORLD
BANK AND IMF ARE INCLUDED AS UN SPECIALIZED AGENCIES).
5. THE DEBATE NEXT WEEK AMONG THE GROUP OF 27 WILL PROBABLY FOCUS
ON HOW MUCH TO EMPHASIZE AND DESCRIBE THE FAILURES AS OPPOSED TO
THE SUCCESSES OF CIEC AND ON WHICH PARTS OF THE UN SYSTEM SHOULD
PURSUE FURTHER WORK ON THE VARIOUS ISSUES. THERE WILL ALSO
BE DISCUSSION AMONG THE GROUP OF 27 CONCERNING A TIMETABLE FOR
NEGOTIATIONS ON VARIOUS ISSUES AFTER CIEC AND THE NEED FOR SOME
CENTRAL HIGH-LEVEL BODY TO PROVIDE A MONITORING OR OVERVIEW OF
THE PROGRESS OF THE VARIOUS ISSUES. CABRIC SEEMED TO THINK THAT
DECISIONS ON THESE ISSUES COULD BE ACHIEVED BY THE RESUMED 31ST
SESSION OF THE UNGA. WE POINTED OUT TO HIM THAT THE RESUMED
SESSION WOULD LAST ONLY FOUR DAYS AND THAT PROBABLY THE BEST THAT
MIGHT BE ACHIEVED WAS AN AGREED ASSESSMENT OF CIEC AND POSSIBLY
SOME DEBATE ON HOW AND WHEN THE NORTH-SOUTH DIALOGUE WAS TO

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PROCEED. DECISIONS REGARDING PROCEDURES AND INSTRITUTIONS FOR
THE CONTINUATION OF THE DIALOGUE SHOULD PROBABLY BE LEFT TO
THE 32ND GENERAL ASSEMBLY.
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6. THERE SEEMS TO BE A CONSENSUS AMONG THE G-77 SHARED IN LARGE
MEASURE BY THE DEVELOPED COUNTRIES AS TO WHICH PARTS OF THE
SYSTEM SHOULD PURSUE THE VARIOUS ISSUES IN THE NORTH-SOUTH
DIALOGUE, E.G., COMMODITIES IN UNCTAD, RESOURCE TRANSFERS IN THE
DEVELOPMENT COMMITTEE, MONETARY ISSUES IN THE INTERIM COMMITTEE,
TRADE IN GATT, AND TRANSNATIONAL CORPORATIONS AND PRIVATE INVEST-
MENT ISSUES IN THE TNC COMMISSION. THE KEY ISSUES ABOUT WHICH THERE
SEEMS TO BE NO CONSENSUS YET, EITHER WITHIN THE G-77 OR BETWEEN
G-77 AND DEVELOPED COUNTRIES, ARE THE FOLLOWING:

- ENERGY
- DEBT
- AN OVERVIEW OR STOCKTAKING MECHANISM
- A TIMEFRAME FOR THE NEXT "STAGE" OF THE NORTH-SOUTH DIALOGUE.

THESE FOUR ISSUES ARE LIKELY TO BECOME THE CENTER OF DISCUSSION AND NEGOTIATION AT THE RESUMED 31ST SESSION AND LATER AT THE 32ND SESSION OF THE UNGA. THERE IS ALSO LIKELY TO BE CONSIDERABLE INFORMAL DISCUSSION ON COMMODITIES BUT THE NOVEMBER COMMON FUND NEGOTIATIONS IN GENEVA WILL BE THE FOCUS OF ACTION ON COMMODITY ISSUES.

7. ON ENERGY, THERE IS A VERY BROADLY RECOGNIZED NEED TO ESTABLISH MECHANISMS FOR A CONTINUING DIALOGUE. THERE IS A RECOGNIZED NEED FOR WORK ON ENERGY AT TWO LEVELS: FIRST, AN INTERNATIONAL ORGANIZATION THAT WOULD BE THE FOCUS OF RESEARCH, ANALYSIS AND TECHNICAL COOPERATION IN THE ENERGY FIELD (SAY ALONG THE LINES OF THE U.S. PROPOSAL FOR AN INTERNATIONAL ENERGY INSTITUTE) AND SECOND, FOR EXCHANGES OF VIEWS AT THE POLITICAL LEVEL ON BROAD ENERGY POLICIES. CURRENTLY RESEARCH, ANALYSIS AND TECHNICAL COOPERATION ACTIVITIES ARE SCATTERED THROUGHOUT THE UN SYSTEM, E.G., THE UN CENTER FOR NATURAL RESOURCES AND ENERGY, UNDP, UNITAR, CONFIDENTIAL

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ETC. SOME OF THOSE TO WHOM WE SPOKE SUGGESTED LEAVING THESE ACTIVITIES SCATTERED IN EXISTING INSTITUTIONS, BUT BUILDING ONE OF THEM UP GRADUALLY RATHER THAN CREATING A NEW INSTITUTION. MOST OF THE G-77 REPRESENTATIVES, HOWEVER, STRESSED THAT A CONTINUING ENERGY DIALOGUE, AT BOTH THE POLITICAL AND TECHNICAL LEVELS, WAS POSSIBLE IF IT WERE AGREED THAT IT WOULD TAKE PLACE WITHIN THE UN SYSTEM AND IF PROPOSALS FOR A CONTINUING ENERGY DIALOGUE WERE PART OF A PACKAGE UN RESOLUTION REGARDING CONTINUATION OF ALL THE ASPECTS OF THE DIALOGUE AFTER CIEC. ANY PARTICULAR OR ACUTE FOCUS ON ENERGY WOULD AROUSE OPEC OPPOSITION.

8. DEBT IS LIKELY TO BE AN ISSUE AT THE RESUMED SESSION BECAUSE OF CIEC'S FAILURE TO COME TO ANY CONSENSUS AND BECAUSE OF THE G-77 DESIRE TO GIVE IMPETUS TO THE UNCTAD MINISTERIAL MEETING, NOW SCHEDULED FOR JANUARY 1978, WHICH WILL HAVE A HEAVY FOCUS ON THE DEBT ISSUE. THIS ISSUE IS LIKELY TO GIVE US A PROBLEM SINCE WE WOULD PREFER THAT THE DEBT PROBLEM BE TAKEN UP IN THE CONTEXT OF THE IMF AND IBRD RATHER THAN UNCTAD.

9. THERE IS A CONSENSUS AMONG MANY OF THE REPRESENTATIVES OF BOTH DEVELOPED AND DEVELOPING COUNTRIES ON THE DESIRABILITY OF SOME KIND OF BODY TO PROVIDE AN OVERVIEW OVER THE CONSTITUENT PARTS OF THE NORTH-SOUTH DIALOGUE TAKING PLACE IN SPECIALIZED FORA. THERE ARE TWO CONFLICTING VIEWS OF THIS STOCKTAKING MECHANISM ALTHOUGH

VIEWS DO NOT SEEM GENERALLY TO BE HELD FIRMLY EITHER AMONG DEVELOPED OR DEVELOPING COUNTRIES. ONE VIEW, MOST STRONGLY ADVOCATED BY THE YUGOSLAV DELEGATE, WAS THAT A RESTRUCTURED ECOSOC SHOULD PROVIDE THE FOCUS FOR THE OVERVIEW OF THE NORTH-SOUTH DIALOGUE. IN THE CURRENT UN RESTRUCTURING EXERCISE A CONSENSUS SEEMS TO BE BUILDING FOR ECOSOC TO MEET MORE FREQUENTLY DURING THE YEAR FOR "SUBJECT-ORIENTED" SESSIONS. IN ADDITION, ECOSOC MIGHT MEET AT LEAST ONCE A YEAR AT THE MINISTERIAL LEVEL TO PROVIDE THE OVERVIEW OR STOCKTAKING FUNCTION BY HIGH-LEVEL REPRESENTATIVES FROM CAPITALS. IT WAS POINTED OUT BY A NUMBER OF REPRESENTATIVES

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THAT ONE OF THE SUBJECT-ORIENTED SESSIONS OF ECOSOC COULD FOCUS ON ENERGY.

10. THE OTHER POSSIBILITY DISCUSSED WAS TO FORM A SMALL COMMITTEE, SAY 30 TO 35 MEMBERS, THAT WOULD REPORT DIRECTLY TO THE GENERAL ASSEMBLY. THIS COMMITTEE COULD MEET AT LEAST ONCE A YEAR, WITH HIGH LEVEL ECONOMIC POLICY MAKERS ATTENDING FROM CAPITALS. THIS SPECIAL ECONOMIC COMMITTEE MIGHT MEET AT OTHER TIMES ON SPECIFIC SUBJECTS, E.G., ENERGY. THE MEMBERSHIP OF THIS COMMITTEE MIGHT INVOLVE A CORE GROUP OF PERMANENT MEMBERS AND A ROTATING GROUP OF MEMBERS OF SMALLER SIZE AND ECONOMIC SIGNIFICANCE.

11. BRITISH, DUTCH (VAN GORKHOM), JAMAICAN AND SWEDISH REPRESENTATIVES SEEMED QUITE INTRIGUED WITH THE IDEA AND HOPED THAT THESE IDEAS COULD BE FURTHER ELABORATED. AT A LONG LUNCHEON DISCUSSION WITH PETER MARSHALL OF THE UK WE DISCUSSED IN SOME DETAIL THE MECHANISMS OF SUCH A SPECIAL ECONOMIC COMMITTEE AND THE CRITERIA THAT MIGHT BE USED FOR MEMBERSHIP IN SUCH A COMMITTEE. WE AGREED THAT THE MAYNES-YOUNG VISIT TO LONDON ON MONDAY, JULY 18, WOULD PROVIDE AN OPPORTUNITY TO DISCUSS THSE ISSUES FURTHER. OTHER DELEGATES, SUCH AS THE SUDANESE, PAKISTANI AND ALGERIAN WERE QUITE OPEN TO THE IDEA BUT OFFERED NO STRONG VIEWS. ALTHOUGH VAN GORKHOM OF THE NETHERLANDS WAS ENTHUSIASTIC ABOUT THE IDEA, KAUFMANN SUPPORTED STRENGTHENING ECOSOC INSTEAD.

12. A NUMBER OF REPRESENTATIVES POINTED OUT THAT THE FUNCTIONS OF THE SPECIAL ECONOMIC COMMITTEE WERE REALLY THE ONES ORIGINALLY ENVISIONED FOR ECOSOC BUT THAT ECOSOC FAILED TO ACHIEVE ITS GOALS UNDER THE UN CHARTER. THEY ALSO SUGGESTED THAT A SPECIAL ECONOMIC COMMITTEE MIGHT

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DOWNGRADE THE ROLE AND STATUS OF ECOSOC OR AT LEAST
PREEMPT ATTEMPTS TO REVIVE IT AS IN THE CURRENT RESTRUCTURING
EXERCISE. IT WAS POINTED OUT BY A NUMBER OF REPS, HOWEVER,

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FM USMISSION GENEVA
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INFO AMEMBASSY ACCRA
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USEEC, USOECD

THAT A REVIVAL OF ECOSOC WOULD BE PRETTY DIFFICULT TASK GIVEN
ITS HISTORY AND IMAGE AS A BODY DEVOTED TO A WIDE RANGE OF UN
SYSTEM ISSUES RATHER THAN TO SUBSTANTIVE HIGH-LEVEL POLICY

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CONSIDERATION OF GLOBAL ECONOMIC ISSUES.

13. IN ALL THE DISCUSSIONS WE EMPHASIZED THAT THE US HAD NO FORMAL POSITION BUT WAS EXPLORING VARIOUS OPTIONS FOR MEANS OF CONTINUING THE NORTH-SOUTH DIALOGUE. AMONG THE OTHER DELEGATES TO WHOM WE TALKED, ONLY YUGOSLAVIA SAID THAT IT HAD DEVELOPED A FORMAL POSITION FAVORING ECOSOC AFTER EXTENSIVE DISCUSSION IN BELGRADE ABOUT THE GENERAL ASSEMBLY ALTERNATIVE.

14. THE DEVELOPING COUNTRIES SEEM TO WANT TO IMPOSE A TIME FRAMEWORK ON THE NEXT "STATE" OF NORTH-SOUTH DISCUSSIONS. WE EMPHASIZED THE NEED TO SEE NORTH-SOUTH DIALOGUE AS PART OF A CONTINUING PROCESS OF DISCUSSION AND NEGOTIATION ON ISSUES AS THEY RIPEN. THE IDEA SEEMS TO BE EMERGING AMONG SOME OF THE G-77 THAT THE PREPARATIONS OVER THE NEXT TWO YEARS FOR THE THIRD DEVELOPMENT DECADE PROVIDE A NATURAL FRAMEWORK FOR THE NEXT STAGE.

15. DISCUSSION ON THE INTERNATIONAL DEVELOPMENT STRATEGY (IDS) FOR THE THIRD DEVELOPMENT DECADE WERE STIMULATED BY AN INFORMAL MEETING, CHAIRED BY VAN GORKHOM AT THE DUTCH MISSION ON JULY 14. MEETING WAS ATTENDED BY AASEN OF NORWAY, MILLS OF JAMAICA, BENHOCINE OF ALGERIA, CABRIC OF YUGOSLAVIA, QADRUD-DIN OF PAKISTAN, JODAHL OF SWEDEN, KUEN OF AUSTRIA, FRANK OF US, GRENFELL OF THE WORLD BANK, AND A FEW UN AND OTHER DUTCH OFFICIALS. MAIN PURPOSE OF THE MEETING WAS TO DISCUSS A DUTCH PROPOSAL TO GIVE A \$4 MILLION CONTRIBUTION FOR A MAJOR RESEARCH EFFORT ON A STRATEGY FOR THE NEXT DEVELOPMENT DECADE AND BEYOND. \$2 MILLION WOULD BE EARMARKED FOR RESEARCH BY AGENCIES OR CENTERS WITHIN THE UN SYSTEM. THE OTHER \$2 MILLION WOULD BE FOR RESEARCH BY PRIVATE RESEARCH INSTITUTES. THE NORWEGIANS ANNOUNCE THAT THEY WOULD CONTRIBUTE \$2 MILLION ALSO FOR RESEARCH AND THERE WAS SOME INDICATION THAT THE AUSTRIANS MIGHT ALSO BE

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PERSUADED TO CHIP IN. THE DUTCH INDICATED THAT PART OF THE \$2 MILLION FOR PRIVATE RESEARCH WOULD GO TO SUPPORT THE RESEARCH ACTIVITIES OF THE BRANDT COMMISSION.

16. THE DUTCH INDICATED THAT THEY WOULD LIKE TO HAVE THIS INFORMAL GROUP MEET FROM TIME TO TIME TO ADVISE ON THE ALLOCATION OF RESEARCH MONIES. (THE GROUP HAD MET FIRST A COUPLE OF MONTHS AGO IN NEW YORK WITHOUT US PARTICIPATION.)

17. A SUGGESTION WAS MADE BY FRANK OF US THAT IT WOULD BE USEFUL FOR PRIVATE RESEARCHERS TO MEET WITH GOVERNMENT OFFICIALS AND UN OFFICIALS TO DISCUSS THE PROJECT IN ORDER TO HELP ENSURE THAT THE RESEARCH WAS LIKELY TO BE MOST USEFUL AND RELEVANT TO OUR WORK AND CONCERNS. THIS IDEA WAS STRONGLY SECONDED BY MILLS OF JAMAICA WHO SAID THAT A SEMINAR OF THIS SORT OUGHT TO BE ARRANGED AT THE VERY OUTSET OF THE RESEARCH EFFORT. A CONSENSUS EMERGED THAT A SEMINAR OF THIS SORT OUGHT TO BE ARRANGED.

18. GRENFELL OF THE WORLD BANK MADE A PRESENTATION ON THE BANK'S CONTRIBUTION TO THE EFFORT THROUGH AN EXPANSION OF THEIR WORK ON DEVELOPMENT PROSPECTS TO INCLUDE INTENSIVE SECTOR STUDIES. THEY ENVISIONED THESE STUDIES TAKING PLACE IN A BIENNIAL CYCLE AND BEING PRESENTED TO THE IMF/IBRD DEVELOPMENT COMMITTEE. THESE STUDIES WOULD BE AVAILABLE AS INPUT INTO THE WORK OF THE UN ON A DEVELOPMENT STRATEGY. THEY ALSO PLANNED TO INVOLVE VARIOUS UN BODIES IN THE WORK ON THESE SECTOR STUDIES.

19. GRENFELL ALSO SAID THAT WILLY BRANDT WISHED TO DELAY THE ANNOUNCEMENT OF THE FORMATION OF THE BRANDT COMMISSION. BRANDT WANTED TO COME TO NEW YORK AROUND SEPT 20 TO CONSULT WITH LEADING G-77 FIGURES BEFORE HE MADE ANY ANNOUNCEMENT. GRENFELL SAID THAT GORAN OHLIN OF SWEDEN HAD BEEN HIRED TO WORK WITH WILLY BRANDT TO HELP DRAFT A SET OF TERMS OF REFERENCE FOR THE COMMISSION WITH THE UNDERSTANDING THAT HE WOULD BE NAMED EXECUTIVE DIRECTOR OF THE COMMISSION IF A DECISION WERE MADE TO GO AHEAD.

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20. DISCUSSION AT INFORMAL MEETING IN DUTCH MISSION AND LATER BILATERAL TALKS REVEALED A POSSIBLE EMERGENCE OF BASIC THEMES OF THE NEXT INTERNATIONAL DEVELOPMENT STRATEGY.

21. FIRST, THE NEW STRATEGY SHOULD FOCUS NOT JUST ON THE DECADE OF THE EIGHTIES BUT BEYOND. THE WORLD ECONOMIC ORDER AND ITS APPROPRIATE ECONOMIC INSTITUTIONS WILL PROBABLY BE VERY DIFFERENT IN THE DISTANT FUTURE. ASSUMING THE WORL ECONOMY BECOMES EVER MORE INTERDEPENDENT, THAT THE CURRENT INDUSTRIAL POWERES MATURE IN THEIR GROWTH, THAT THE RELATIVE ECONOMIC SIGNIFICANCE OF THE DEVELOPING COUNTRIES INCREASES AND THAT SOME BASIC RAW MATERIALS BECOME RELATIVELY MORE COSTLY, THE INSTITUTIONAL STRUCTURE FOR THE WORLD ECONOMY WILL HAVE TO CHANGE CONSIDERABLY. THE NEW STRUCTURE SHOULD REFLECT CHANGES IN ECONOMIC POWERE RELATIONSHIPS, ENCOURAGE A MORE EFFICIENT FLOW OF TRADE AND INVESTMENT, AND HELP INTEGRATE AND COORDINATE ECONOMIC POLICIES ON A BROADER SCALE. WE MAY BE ABLE TO REACH MORE CONSENSUS AMONG DEVELOPED AND DEVELOPING COUNTRIES ABOUT THE SHAPE OF THE LONG-TERM WORLD ECONOMIC ORDER RATHER THAN ABOUT

THE NEXT STEPS TO BE TAKEN OR THE PACE AT WHICH INSTITUTIONAL TRANSFORMATION SHOULD TAKE PLACE.

22. SECOND, THE NEXT DEVELOPMENT STRATEGY SHOULD NOT FOCUS ONLY ON THE DEVELOPMENT POLICIES OF THE DEVELOPING COUNTRIES AND WHAT THE DEVELOPED COUNTRIES CAN DO TO ASSIST THEM. THE PACE OF ECONOMIC GROWTH AND THE ECONOMIC DYNAMISM OF THE DEVELOPED COUNTRIES IS AN IMPORTANT DETERMINANT OF THE RATE OF GROWTH IN THE DEVELOPING WORLD. THUS THE NEW DEVELOPMENT DECADE SHOULD FOCUS ON GROWTH PERFORMANCE AND POLICIES IN BOTH THE DEVELOPED AND DEVELOPING COUNTRIES.

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23. THIS POINT WAS STRESSED PARTICULARLY BY MILLS OF JAMAICA IN PRIVATE CONVERSATIONS AND IN A SPEECH BEFORE THE ECOSOC PLENARY. HE SAID THAT THE DEVELOPING COUNTRIES RECOGNIZED THAT THEIR OWN RATE OF DEVELOPMENT DEPENDED ON THE RATE OF GROWTH IN THE INDUSTRIALIZED WORLD BUT IT WAS DISTURBING TO SEE THE GENERAL PESSIMISM ABOUT FUTURE GROWTH OF THE INDUSTRIALIZED WORLD.

24. THIRD, MEETING BASIC HUMAN NEEDS COULD BE AN IMPORTANT AND INTEGRAL PART OF THE NEXT DEVELOPMENT STRATEGY. BUT THIS THEME COULD NOT BE PUSHED TO THE EXCLUSION OF ALL OTHERS OR THE G-77 WOULD STRONGLY RESIST. IT WOULD BE BETTER IF MEETING BASIC NEEDS WERE A UNIVERSAL THEME, APPLYING TO THE POOR IN BOTH THE DEVELOPED AND DEVELOPING COUNTRIES. VANDEN HEUVEL

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Subject: CONSULTATIONS IN GENEVA ON RESUMED 31ST SESSION OF UNGA, UN RESTRUCTURING, BRANDT COMMISSION, AND THE INTER- NATIONAL DEVELOPMENT STRATEGY
TAGS: EGEN, ECOSOC, UN
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